

Hearing Date: March 21, 2023 at 10:00 am
Objection Deadline: March 14, 2023 at 4:00 pm

VENABLE LLP
Jeffrey S. Sabin
1270 Avenue of the Americas, 24th Floor
New York, New York 10020
Telephone (212) 503-0896
Facsimile: (212) 307-5598
Email: JSSabin@venable.com

VENABLE LLP
Andrew Currie (*admitted pro hac vice*)
600 Massachusetts Avenue, NW
Washington, DC 20001
Telephone: (202) 344-4586
Facsimile: (202) 344-8300
Email: AJCurrie@venable.com

Counsel to Ignat Tuganov

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

	x
In re:	:
CELSIUS NETWORK LLC, <i>et al.</i> , ¹	:
Debtors.	:
	x

: Chapter 11

: Case No. 22-10964 (MG)

: Jointly Administered

: **Re: Dkt. No. 2151**

**JOINDER AND SUPPLEMENT TO OBJECTION OF THE UNITED STATES TRUSTEE
TO DEBTORS' MOTION FOR AN ORDER (I) AUTHORIZING AND APPROVING
CERTAIN BID PROCECTIONS FOR THE PROPOSED PLAN SPONSOR AND
(II) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

Ignat Tuganov, a creditor of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), by and through his undersigned counsel, hereby submits this Joinder and Supplement (this “Joinder”) to the *Objection of the United States Trustee to Debtors’ Motion For An Order (I) Authorizing and Approving Certain Bid Protections for the Proposed Plan Sponsor and (II) Granting Related Relief* [Dkt. No. 2218] (the “Objection”) and respectfully represents as follows:

BACKGROUND²

1. On July 13, 2022, certain of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On December 7, 2022, Debtors GK8 Ltd., GK8 UK Limited, and GK8 USA LLC each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. These chapter 11 cases have been consolidated for procedural purposes only and are jointly administered pursuant to Bankruptcy Rule 1015(b). [Dkt Nos. 53 and 1648] The Debtors continue to operate their businesses as debtors-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code.

2. On July 27, 2022, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors [Dkt No. 241] (the “Committee”). On September 29, 2022, the Court entered an order directing the appointment of the Examiner [Dkt No. 920].

3. On March 1, 2023, the Debtors filed the *Debtors’ Motion for Entry of an Order (I) Authorizing and Approving Certain Bid Protections for the Proposed Plan Sponsor and (II) Granting Related Relief* [Dkt. No. 2151] (the “Motion”). The Motion seeks bid protections (the “Bidding Protections”) for Plan Sponsor, NovaWulf Digital Management, LP.

² Capitalized terms not otherwise defined herein have the same meaning as ascribed to those terms in the Objection.

4. On March 9, 2023, this Court issued a *Memorandum Opinion Regarding Which Debtor Entities have Liability for Customer Claims under the Terms of Use* [Dkt. No. 2205] (the “Opinion”). The Opinion concluded that customer contract claims were limited to claims against only Celsius Network LLC (“LLC”) and not against Celsius Network Limited (“CNL”), the top-level parent company, although the Court specifically noted that customers may have non-contract claims against Debtors other than LLC, including CNL.

5. On March 13, 2023, the United States Trustee (the “UST”) filed the Objection to the Bid Protections Motion.

JOINDER

6. Mr. Tuganov joins in the UST’s Objection in all respects. Most importantly, Mr. Tuganov agrees with the UST that the Bidding Protections should not be approved until and unless the Motion discloses the effect, if any, the Opinion has upon the Motion and the Plan Term Sheet.

SUPPLEMENT

7. The UST submits, among other things, that the Debtors should disclose whether the Customers will seek to assert non-contract claims against the assets held by the Debtors against which the Series B Preferred Holders assert their interests.

8. Mr. Tuganov has timely filed his Proof of Claim against all the Debtors in these chapter 11 cases asserting, among other things, non-contract claims, including fraud and misrepresentation. It is likely that other customers have similarly filed proofs of claim asserting non-contract claims against one or more of the Debtors, and the Debtors should be required to disclose whether and to what extent Customers have alleged non-contract claims in these chapter 11 cases.

9. In addition, the Court should consider whether other customers who timely filed proofs of claim in these chapter 11 claims prior to the entry of the Opinion should have an opportunity to amend their proofs of claims.

10. For the reasons stated herein and in the Objection, Mr. Tuganov respectfully requests that the Motion be denied.

Dated: New York, New York

March 14, 2023

VENABLE LLP

By: /s/ Jeffrey S. Sabin

Jeffrey S. Sabin

Carol Weiner Levy

Arie Peled

1270 Avenue of the Americas, 24th Floor
New York, New York 10020

Telephone: (212) 503-0896

Facsimile: (212) 307-5598

Email: JSSabin@venable.com

Email: CWeinerLevy@venable.com

Email: APeled@venable.com

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Washington, DC 20001
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